

No one among us should dispute the fact that under President Ronald Reagan's principled and unwavering leadership on the international stage, Communism crumbled. A new freedom has dawned in the former Soviet Union and Eastern Europe, and we live without the fear of days past.

At the beginning of this month, on February 6 to be exact, those of us who love and respect this great president joined his family and his admirers around the world in celebrating his 87th birthday. On behalf of our children and their children, thank you, President Reagan, and belated happy birthday.

SPENDING THE BUDGET SURPLUS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Dakota (Mr. THUNE) is recognized for 5 minutes.

Mr. THUNE. Mr. Speaker, this morning I would like to visit just a little bit about some of the discussions that I had with members of my district, which is the entire State of South Dakota; and I had the opportunity last week to travel the length and breadth of my great State and listen to what people were saying out there on a wide range of issues.

Of course, I heard a lot about the situation in Iraq, about the need to get a transportation funding bill passed, which is something that I think that we really need to move along in this body because there are many States, like mine, who depend on that, and the construction season is upon us.

But one of the other things we talked a lot about and I heard a lot about is the question today in Washington, which is not being lost on people out in my part of the country, as to the whole budget surplus issue and what might we do to make the best use of a potential budget surplus.

Of course, like my constituents, I agree that the first thing we ought to do is to begin to retire and protect for the future, our children's future, and deal with the \$5.5 trillion debt that we have racked up over the past many years. So that should be a priority and, in fact, at the same time we need to set aside money so that we can begin to replenish the trust funds that we continue to borrow from, including the Social Security Trust Fund.

I am the cosponsor of a bill, which the gentleman from Wisconsin (Mr. NEUMANN) will be visiting about here a little later, that in fact would allocate a third to debt repayment, a third to trust funds, Social Security Trust Funds, and then the balance of the third to tax relief.

It is my view that, as we look at the whole issue of whether or not we ought to use the budget surplus for tax relief, the only justification would be if it is an alternative to new Federal spending.

We have listened with great interest to some of the proposals that the White

House has rolled out that would create a new Washington bureaucracy and new Washington spending; and, frankly, I think as an alternative to that, we should look at what we can give to taxpayers, the people who are paying the freight in this country, those revenues back.

So, in doing that, we have had a considerable discussion, I think, within our own ranks about what is the best method or way of returning dollars to taxpayers; and in the whole marketplace of taxpayer ideas I believe one stands out. So I have, along with the gentlewoman from Washington (Ms. JENNIFER DUNN), cosponsored legislation which would deliver tax relief in a very broad-based way, which says that a taxpayer gets tax relief without having to behave a certain way or conducting themselves in a certain way; and then we will figure out a way, through the social engineering process, to micromanage their behavior and allow Washington to pick winners and losers.

We say as a matter of policy that it ought to be our practice here in Washington to come up with policies that treat everybody equally, and this is certainly an approach that would do that.

So the first principle should be that if we, in fact, have dollars available for tax relief in any budget that is put together here, that we ought to look at how we can return those to taxpayers in a way that is across-the-board and does not pick winners and losers from Washington.

The second thing we should do is come up with a tax relief proposal that, in fact, further simplifies rather than complicates the Tax Code. Because every time that we come up with legislation in this body it always seems to make it more complicated for the people who have to pay the freight out there, for the people who have to comply with that Tax Code.

So we have introduced legislation, two pieces of legislation, actually, the first of which would raise the personal exemption from the current \$2,700 to \$3,400, which would affect every taxpayer in this country.

If an individual has dependents, they can claim that increased personal exemption and thereby lower their tax liabilities; and it delivers the greatest proportion of tax relief from the lower income levels up through the income scale.

The second bill would drop 10 million people out of the 28 percent rate bracket back to the 15 percent rate bracket, which I think is significant. Because today we penalize people for working harder, producing more and earning more. Now we are saying that, instead of each additional dollar that an individual earns, 28 cents is going to be collected in taxes, that we want to move more people back into the lower 15 percent bracket. I think that is a significant step forward, one, towards simplification and, two, towards delivering tax relief in a way that is very broad-based.

So as we have this debate in the Congress about the budget surplus, as we address the issues of putting a systematic plan in place which will, one, begin to pay down the debt; secondly, will replenish or restore the trust funds that we continually borrow from, particularly Social Security; that to the extent that we have additional dollars available, before we create new Washington bureaucracies and new Washington spending, that we ought to look at ways that we can give those dollars back to the taxpayers, the people whose money it is in the first place and who ought to have the first claim to additional budget revenues.

In doing that, as we make that decision, I think it is critically important we do it in such a way that we do not, from Washington, determine who wins and who loses and say that if people behave in a certain way they will be rewarded, we in Washington, D.C., will reward them by giving them this particular tax break; that, in fact, we ought to look at how we can deliver tax relief in a broad-based way so that all Americans who pay taxes are able to benefit from a growing economy.

That is the priority that I think we ought to place as we have this debate; and to the extent, again, that there are dollars available and as we talk about the whole issue of tax relief and what we might be able to do to give something back to the taxpayers of this country, that those ought to be the overriding principles; that, one, we make it broad based and that, two, we do it in such a way that it further simplifies rather than complicates the Tax Code in this country.

So I look forward to being a part of that debate, and I would urge my colleagues on both sides of the aisle to take a look at the legislation that we have introduced. Because I think it is consistent with those objectives. It is consistent with providing real relief and real choices to hard-working men and women in America who are trying to decide how to pay for their children's education, how to pay for their mortgage and their housing payments, how to pay for car payments and the groceries and everything else.

If we want to, in a very real and tangible way, empower them to make decisions about the needs that they have in their future and their children's future, this is a way we can do it.

One of the bills I mentioned earlier would, in fact, lower taxes on 29 million working Americans today to the tune of about \$1,200 per filer. That is real relief, it is real choice, and it will help real hard-working Americans in this country that we look to day in and day out to continue to support this country and to build a better future for all our children and grandchildren.

With that, I would encourage the Members of this body to take a hard look at our legislation, consider cosponsoring it and try to make it a part of the debate we are about to have in terms of budgetary priorities.